

(c) *Contract award when an organizational conflict of interest is present.* (1) No contract or modification award shall be made to an offeror or contractor having an organizational conflict of interest with respect to that contract or modifications unless:

(i) The conflict has been eliminated or neutralized; or

(ii) The Contracting Officer determines that the award of the contract would be otherwise in the best interests of the Government. Where such a determination is made, an appropriate written finding and determination shall be placed in the contract file.

(2) Examples of circumstances justifying such a determination include but are not necessarily limited to:

(i) Situations where the public exigency will not otherwise permit; or,

(ii) Situations where the requirement cannot otherwise be obtained.

(3) The Contracting Officer's determination shall be approved by the Head of the Contracting Activity before award.

(d) *Action in Lieu of Termination.* If the Contracting Officer determines that it would not be in the best interest of the Government to terminate a contract as provided in the clause cited at HUDAR 2409.508-2, the Contracting Officer shall take every reasonable action to eliminate, or otherwise neutralize the organizational conflict of interest.

[49 FR 7701, Mar. 1, 1984; 49 FR 10930, Mar. 23, 1984, as amended at 53 FR 46534, Nov. 17, 1988; 57 FR 59788, Dec. 15, 1992]

**2409.507 Solicitation provisions and contract clause.**

**2409.507-1 Solicitation provisions.**

The Contracting Officer shall insert the provisions at 2452.209-70, Organiza-

tional Conflicts of Interest Notification, and 2452.209-71, Organizational Conflicts of Interest Certification, in all solicitations over the small purchase limitation.

[53 FR 46534, Nov. 17, 1988. Redesignated at 61 FR 19470, May 1, 1996]

**2409.507-2 Contract clause.**

The Contracting Officer shall insert the clause at 2452.209-72, Organizational Conflicts of Interest, in all contracts.

[53 FR 46534, Nov. 17, 1988. Redesignated at 61 FR 19470, May 1, 1996]

**Subpart 2409.70—Debarment, Suspension, and Ineligibility**

**2409.701 HUD regulations on debarment, suspension, and ineligibility.**

Departmental policies and procedures concerning debarment and suspension are contained in 24 CFR part 24.

**PART 2411—DESCRIBING AGENCY NEEDS**

AUTHORITY: 40 U.S.C. 486(c); 42 U.S.C. 3535(d).

**Subpart 2411.4—Delivery or Performance Schedules**

**2411.404 Contract clause.**

(a) The Contracting Officer may insert the clause at 48 CFR 2452.211-70, Contract Period, in all solicitations and contracts.

[61 FR 19470, May 1, 1996]